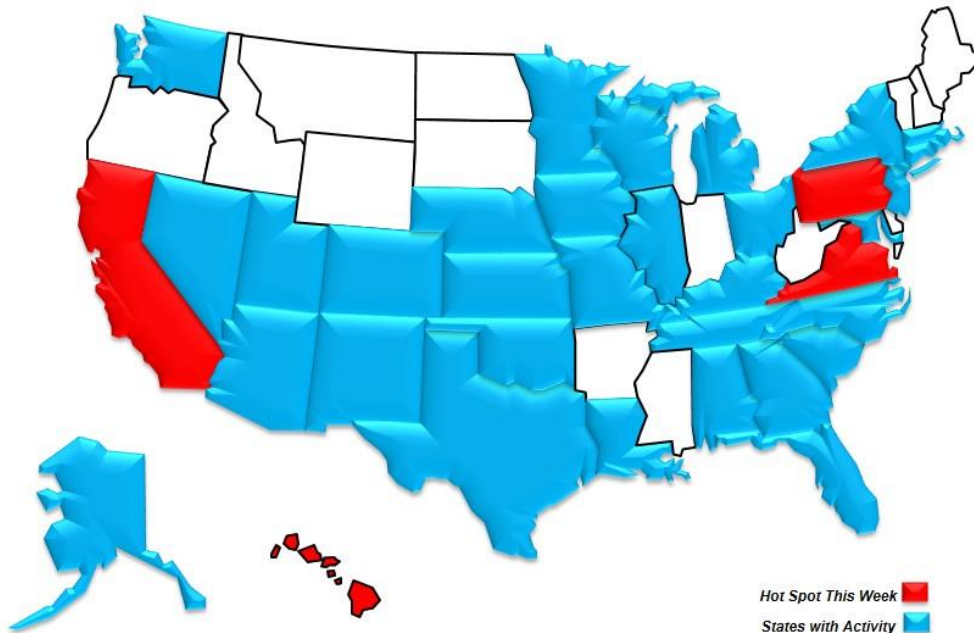


# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update



## Transportation Networking Company Legislative & Regulatory Activity



Hot Spot This Week  
States with Activity

Revised August 8, 2014

**Hot Spots:** *California Legislature resumes discussions on AB 2293*

*Hawaii DOT stops TNCs from provide rides to and from Honolulu International Airport*

*Maryland PSC begins looking at TNC regulations for Uber Black*

*Virginia DMV allows TNCs to operate but insurance coverage gaps remain*

### Alabama

**Regulatory Body:** Birmingham City Council

**Status:** Ordinance

The Birmingham City Council approved changes to its transportation code to address mobile apps. However, Uber has opposed the existing regulations and expressed displeasure with the new changes. In addition to concerns about being classified as a taxi service and regulations on fees charged, Uber opposes the requirement of full-time, commercial insurance coverage.

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

## Alaska

**Regulatory Body:** Insurance Division

**Status:** Consumer Alert

The Alaska Division of Insurance (DOI) issued a [consumer alert](#) warning about the risks of rideshare and vehicle-sharing programs and urges Alaskans to be informed of the risks before participating in these type of programs. The Division noted that these programs may result in a denial of insurance for participating vehicle owners, drivers, and passengers. Personal auto insurance is not intended to cover individuals who use their vehicles for commercial purposes. Most personal auto policies will not cover an accident that occurs when someone uses their personal vehicles for commercial purpose.

## Arizona

**Bill Number:** HB 2262

**Status:** Vetoed

**Comments/Actions:** PCI opposed HB 2262, which specifically limited an insurer's ability to exclude commercial activity in its contract by stating an exclusion for "commercial, fee or livery activities" is only applicable during a transportation network "trip" but not while the driver is looking for passengers.

Governor Brewer vetoed HB 2262 on April 25, 2014 stating that, "Customer safety must not be sacrificed for the sake of innovation." It is anticipated that this issue will be debated by the 2015 Legislature.

## California

**Bill Number:** AB 2293

**Status:** In Senate Appropriations Committee

ACIC supports AB 2293, which closes the gaps in insurance coverage by clarifying TNC as primary coverage; defining transportation network services to include "app on/off;" imposing duty to defend and indemnify on TNCs and requiring TNCs to give drivers important disclosures regarding insurance information. The measure passed the House 71-0 and was approved 9-1 on June 25 in the Senate Insurance Committee. The Appropriations Committee is expected to hear the bill early in August

**Regulatory Body:** Public Utilities Commission

**Status:** Regulatory: Comment Period – Proposed Decision Vote Scheduled for August

The California Public Utilities Commission held public testimony and discussed their modified decision to [Regulation 13-09-045](#) regulating Transportation Network Companies' (TNCs) insurance requirements. The PUC did not take a vote on their modified decision and will consider the issue in their August meeting.

ACIC supports the effort to close the insurance gaps and believes these regulations allow for responsible innovation by providing flexibility for new insurance products to be developed.

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

## Colorado

**Bill Number:** SB 125

**Status:** Signed by the Governor

SB 125 addresses one of PCI's critical priorities; it sets up the framework for TNCs to provide primary insurance coverage for all commercial activity including when the driver logs onto their app and is available for hire through the time period when they have a passenger in the vehicle and until the driver logs off the app and is no longer available to accept rides. The bill also requires an interim study by the Division of Insurance to examine whether or not the coverage limits currently prescribed in SB 125 are appropriate.

## Connecticut

**Bill Number:** SB 235

**Status:** Signed by Governor

This legislation among other things, requires the state departments of Transportation and Motor Vehicles to conduct a study of the regulation of for-hire transportation services by Feb. 1, 2015. The study shall (1) review how emerging technologies, such as smartphone applications, currently fit into the regulatory scheme, and (2) offer recommendations as to how and if such technologies and the businesses offering them should be regulated to ensure the safety of the riding public. Such recommendations shall include, but need not be limited to, mandatory insurance coverage, licensing and background checks on drivers and vehicle safety and maintenance.

**Regulatory Body:** Insurance Department

**Status:** Consumer Alert

The Connecticut Insurance Department issued a [consumer advisory](#) May 6, 2014 advising drivers who work for transportation network companies (TNC) that they may not be covered by their personal automobile insurance policies while driving for hire.

## District of Columbia

**Bill Number:** B20-753

**Status:** In the Transportation and the Environment Committee

PCI seeks to address insurance gaps in B20-753. The bill outlines a framework for discussion and would set minimum commercial insurance requirements on TNCs, put for-hire vehicle registration, inspection and licensing in the current DMV and place the regulation of taxis, for-hire vehicles and tour buses within a new District Transit Authority. In its current form, this legislation would effectively abolish the District of Columbia Taxicab Commission.

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

## **Regulatory Body:** Insurance Department

### **Status:** Consumer Alert

As private auto for hire companies, such as uberX, Lyft and Sidecar, become more popular in the District of Columbia, the D.C. Department of Insurance, Securities and Banking issued this [consumer guide](#) to make drivers aware of the insurance implications of using their personal cars to offer these services.

## **Regulatory Body:** Taxi Cab Commission

### **Status:** Regulatory Comment Period

The DC Taxi Cab Commission has issued proposed rules to regulate Transportation Network Companies so that their commercial insurance coverage would be the primary coverage.

## **Florida**

### **Bill Number:** HB 1389/SB 1618

### **Status:** Failed

Uber pushed for legislation that would remove the minimum charge requirement for Uber Black and meet minimum commercial insurance responsibility requirements.

## **Georgia**

### **Bill Number:** HB 907

### **Status:** Failed

HB 907 originally sought to prohibit TNCs such as Uber, Lyft, and Sidecar, from operating in Georgia. However it was amended to regulate such companies in a way that takes into account their current business practices. PCI sought to address insurance gaps in the legislation. Ultimately the bill died but it is expected to be reintroduced next year.

## **Hawaii**

### **Regulatory Body:** Department of Transportation

### **Status:** Consumer Alert

The Hawaii Department of Transportation sent letters to TNCs stating that their drivers were not allowed to provide rides to and from Honolulu International Airport without obtaining permits and paying applicable fees.

## **Illinois**

### **Bill Number:** HB 4075 and HB 5331

### **Status:** Sent to the Governor

PCI supported HB 4075 and HB 5331. HB 4075 contains the 'bright line rule' of making a ride sharing entity primary for insurance coverage from app on to app off/passenger discharge, as well as protection of primary insurer exclusions and disclosure requirements on ride sharing companies to drivers and other interested parties.

HB 5331 is the trailer bill and the most notable change to the underlying bill is a decrease in the insurance coverage dollar amount from \$500,000 to \$350,000 to mirror the requirement on taxis in Chicago. Both bills have been sent to the Governor's office.

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

**Regulatory Body:** Chicago City Council Substitute Ordinance 2014-1367.

**Status:** Approved by City Council

PCI opposed Substitute Ordinance 2014-1367. It requires TNCs to provide 1 million of “primary noncontributory coverage The TNC has \$1 million in liability coverage for itself, and \$1 million for the drivers from acceptance to the end of the ride, then drops down to provide the minimum while logged in but not involved in a ride. By having two levels of coverage and stating that the TNC coverage “applies regardless of other insurance” could promote legal disputes and expenses that could be borne by all drivers. If the Governor signs the state legislation, Chicago will need to revise its ordinance as its requirements are less restrictive.

## Iowa

**Regulatory Body:** Iowa Insurance Division

**Status:** Consumer Alert

The Iowa Insurance Division issued a [consumer alert](#) July 29 cautioning drivers who enter into services that connect drivers, riders, and vehicle owners for car-sharing and ride-sharing that they may not be covered if their vehicle is damaged or someone is hurt.

## Kansas

**Regulatory Body:** Kansas Insurance Department

**Status:** Consumer Alert

The Kansas insurance commissioner issued a [consumer alert](#) urging consumers to check with their insurance companies before riding with or becoming a driver for ride-sharing services

## Kentucky

**Regulatory Body:** Department of Transportation, Department of Insurance, Attorney General

**Status:** Consumer Alert

The Department of Insurance issued a [consumer alert](#) June 25 answering common questions associated with TNCs. With TNC firms operating in Louisville and Lexington, the issue is being reviewed by a multiple state agencies with the Department of Transportation taking the lead. PCI has briefed the Department of Insurance commissioner and the multi-agency meetings will continue with an eye toward legislation for the 2015 “short” (30 day) session.

## Louisiana

**Regulatory Body:** Cities of Baton Rouge and New Orleans

**Status:** Proposed Ordinance

Louisiana Insurance Commissioner Jim Donelon issued a [consumer alert](#) July 24 advising consumers whether they are the passengers of or the drivers for a TNC to be aware of potential gaps in insurance coverage.

**Regulatory Body:** Cities of Baton Rouge and New Orleans

**Status:** Proposed Ordinance

The Baton Rouge Metropolitan Council voted to allow TNCs to operate without having to abide by rules of the Taxicab Control Board on June 25.

The New Orleans City Council is considering rule changes to address Uber’s limousine service. It is possible that the proposed regulations will be considered at the Aug. 14 Council meeting.

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

## Maryland

**Bill Number:** HB 1160 and SB 919

**Status:** Failed

PCI opposed HB 1160 and SB 919 which would have exempted TNCs from regulation and oversight that taxicab companies and drivers must adhere to in Maryland.

**Regulatory Body:** Maryland Insurance Administration

**Status:** Consumer Alert

Maryland Insurance Commissioner Therese M. Goldsmith issued a [consumer advisory](#) encouraging anyone who drives for a transportation network company to contact his or her insurance agent, broker or company to identify potential gaps in coverage.

**Regulatory Body:** Maryland Public Service Commission

**Status:** Examining Regulations

The Maryland Public Service Commission ruled that Uber Technologies Inc. is a common carrier and, as a result, is subject to the same regulations as all other passenger-for-hire services. The ruling does not directly impact UberX.

## Massachusetts

**Regulatory Body:** Department of insurance

**Status:** Issue Under Review

TNCs are operating in Boston and Cambridge and drawing some concerns. The Insurance Commissioner is reviewing the issue

## Michigan

**Regulatory Body:** Michigan Department of Insurance and Financial Services

**Status:** Consumer Alert

Michigan Department of Insurance and Financial Services (DIFS) Director Ann Flood issued a [consumer alert](#) reminding drivers to double-check their auto insurance policies before signing up as a TNC driver.

**Regulatory Body:** Ann Arbor

**Status:** Cease and Desist Order

The city of Ann Arbor recently issued cease and desist letters to Uber-X and Lyft.

## Minnesota

**Regulatory Body:** Minnesota Department of Commerce

**Status:** Consumer Alert

The Commerce Department issued [consumers tips](#) informing Minnesotans that there may be gaps in auto insurance coverage for both the drivers and passengers using TNCs.

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

**Regulatory Body:** City of Minneapolis

**Status:** City ordinance

The Minneapolis City Council approved an ordinance July 18 that allows TNCs to operate and establishes regulation addressing licensing and inspections.

## Missouri

**Regulatory Body:** City of St. Louis and Kansas City

**Status:** Cease and Desist Letters

The St. Louis Taxi Commission issued cease and desist letters. Kansas City has filed a petition for a temporary restraining order against Lyft and is ticketing drivers and sending warning letters to TNC's

## Nebraska

**Regulatory Body:** Nebraska Departments of Motor Vehicles and Insurance

**Status:** Consumer Alert

The Nebraska Departments of Motor Vehicles and Insurance issued a [consumer advisory](#) notice to consumers warning on insurance issues.

**Regulatory Body:** Nebraska Public Service Commission

**Status:** Cease and Desist Letter

Nebraska Public Service Commission issued cease and desist letters for Lyft and Uber.

## Nevada

**Regulatory Body:** Department of Insurance

**Status:** Consumer Alert

The Nevada Division of Insurance has issued a [warning to the public](#) that TNCs might put them at financial risk of being underinsured if they are involved in an accident and are injured.

## North Carolina

**Regulatory Body:** City of Charlotte

**Status:** Ordinance under Review

The Charlotte City Council Community Safety Committee is exploring if and how to regulate TNCs.

The General Assembly last year passed a measure that would prohibit the regulation by municipalities of "digital dispatching" services, a change supported by Uber.

## New Jersey

**Bill Number:** AB 3401, SB 2274, SB 2307 and AB 3362

**Status:** In Assembly and Senate

So far four bills have been introduced that would attempt to license and regulate TNC companies. PCI has shared our model legislation with committee staff and key legislators

**Regulatory Body:** Department of Banking and Insurance

**Status:** Consumer Alert

New Jersey Department of Banking and Insurance Commissioner Ken Kobylowski [alerted consumers](#) to the potential loss of insurance coverage in connection with popular business activities known as car-sharing or Transportation Network Companies (TNC)

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

## New Mexico

**Regulatory Body:** Public Regulation Commission

**Status:** Issued Cease and Desist Letter

The Public Regulation Commission (PRC) recently denied a temporary operating permit for Uber.

**Regulatory Body:** Office of Superintendent of Insurance

**Status:** Consumer Alert

Superintendent John G. Franchini issued a [consumer alert](#) urging New Mexico residents to use caution before participating in a car ride share programs stating that the services may pose hidden risks if the rider, driver or vehicle does not have specific insurance coverage that covers these activities.

## New York

**Regulatory Body:** Department of Financial Services

**Status:** Judge allows Lyft to begin operations in NYC

A New York judge is requiring Lyft to meet certain conditions, including providing information regarding its insurance coverage to state officials in order to be allowed to maintain operations upstate in Rochester and Buffalo and begin operations in New York City. If all of the conditions are not met, the judge can issue a temporary restraining order against the company.

**Regulatory Body:** Buffalo Common Council

**Status:** Holding Hearings

PCI has prepared written comments for the council regarding our support for responsible innovation that addresses the potential gaps in insurance coverage.

## Ohio

**Legislative Activity:** PCI met with House Insurance Committee chairman regarding advancing legislation to enact a statewide standard.

**Regulatory Body:** Department of Insurance

**Status:** Consumer Alert

The Lieutenant Governor and Ohio Insurance Director issued a [consumer alert](#) highlighting potential insurance implications of ride sharing. PCI met with

**Regulatory Body:** Cities of Columbus and Cincinnati

**Status:** Proposed Ordinance

Draft ordinance in Columbus that adds regulations for peer-to-peer transportation services into the city's Vehicle for Hire code. City has sued Uber and Lyft to cease and desist operations. Cincinnati's City Council Transportation Committee postponed voting on regulations for TNCs.

## Oklahoma

**Bill Number:** SB 1703

**Status:** Failed

PCI opposed this bill which failed to close important insurance coverage gaps and would have exempted ride-sharing drivers from commercial operator requirements.



# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

**Regulatory Body:** City of Tulsa

**Status:** Considering Regulations

Tulsa city councilors are expected to consider an ordinance that would set operating regulations on TNCs during their meeting the week of Aug. 11.

## Pennsylvania

**Legislative Activity:** Senator Wayne Fontana has filed legislation (Senate Bill 1457) which regulates TNC activities including implementing a background check system and the developing specific driver guidelines that deal with past criminal, moving violation or driving under the influence history. Additionally, TNCs must maintain specific levels of insurance for liability, medical payments, comprehensive, collision and uninsured/underinsured coverage.

**Regulatory Body:** Public Utility Commission

**Status:** Court Hearings

The hearings before administrative law judges regarding the operations of Uber and Lyft are scheduled for Aug. 18-19 for Uber and Aug. 27 and Sept. 3 for Lyft. The Public Utility Commission issued Lyft emergency temporary authority application if they certify compliance with insurance and notice requirements.

**Regulatory Body:** Department of Insurance

**Status:** Consumer Alert

Insurance Commissioner Mike Consedine issued a [consumer alert](#) noting that participating drivers and riders face insurance risk with new ride-sharing services. He said, "Learning too late of gaps in insurance coverage can have serious financial consequences for participants in these programs."

## Rhode Island

**Bill Number:** HB 8298

**Status:** Passed Legislature

Joint resolution to create an eleven (11) member special legislative commission, which includes PCI, to make a comprehensive study of the Public Motor Vehicle Act and the impact of innovative technologies on the market for transportation services. It would report back to the general assembly no later than March 31, 2015.

## South Carolina

**Regulatory Body:** Office of Regulatory Staff

**Status:** Consumer Alert and Request of the Public Service Commission to Review

The Office of Regulatory Staff has filed a petition to review the legality of TNCs operations in South Carolina with the Public Service Commission which will hold a hearing August 26 to determine if they should be regulated as motor vehicle carriers.

In June the Office of Regulatory Staff (ORS) issued a [consumer alert](#) advises of potential safety and insurance issues that could affect both customers and drivers participating in ridesharing services. The ORS recommends consumers and drivers carefully select transportation services that operate in compliance with South Carolina laws and thus have the proper safeguards in place such as commercial insurance, driver background checks, and vehicle safety inspections.

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

## Tennessee

**Regulatory Body:** Department of Insurance

**Status:** Consumer Alert and Bulletin

Commerce and Insurance Commissioner Julie Mix McPeak issued a [consumer alert](#) warning Tennesseans of potential auto insurance gaps for individuals working as drivers for Transportation Network Companies (TNC), such as Lyft, UberX, and Sidecar.

The Commissioner also issued [Memorandum 2-24-14](#) warning about gaps in insurance coverage provided by TNC's and that personal policies likely provided no coverage and urged potential drivers to have discussion with their agent.

**Regulatory Body:** City of Memphis

**Status:** Cease and Desist Order

The city of Memphis announced it will ask TNCs such as Uber and Lyft to cease and desist operations until they acquire city permits.

**Regulatory Body:** City of Nashville

**Status:** City Ordinance Passed

Nashville ordinance BL2013-605 amends Chapter 6.74 of the Metropolitan Code relating to other passenger vehicles for hire. However, it does not address gaps in insurance coverage.

## Texas

**Regulatory Body:** Austin, Dallas, Houston and San Antonio City Councils

**Status:** Austin Study Committee - Cease and Desist Orders

Houston's city council approved regulations for TNCs. Discussions are ongoing in other Texas cities such as Austin, Dallas, and San Antonio. Each of the cities have issued a cease-and-desist orders for drivers of ride sharing programs. The Austin City Council has created a study committee of interested parties, including PCI, to develop recommendations for a pilot program authorizing the use of TNCs.

## Utah

**Regulatory Body:** Department of Insurance

**Status:** Consumer Alert

Utah Insurance Commissioner Todd E. Kiser issued a [consumer alert](#) encouraging anyone who drives for a transportation network company to contact your insurance agent or broker, or insurance company to discuss insurance needs when driving for a TNC and identify any potential gaps in coverage.

**Regulatory Body:** Salt Lake City

**Status:** Issuing Fines and working on Regulations

Salt Lake City is issuing fines and warnings to TNC drivers for operating unlicensed taxi services. Additionally, Salt Lake City is exploring regulations that would permit TNC to operate legally.

# Transportation Network Company (Ride Sharing) Issue Status

08-08-14 Update

## Virginia

**Bill Number:** HB 908 and SB 531

**Status:** Carry Over

PCI opposed HB 908 and SB 531. These bills relaxed regulations that would apply to TNCs but failed to address insurance gaps. The bills were carried over until 2015 and will be the focus of a DMV study off session.

**Regulatory Body:** Department of Motor Vehicles

**Status:** Cease and Desist Orders and DMV Fines

After months of issuing fines and conducting negotiations, the Department of Motor Vehicles has granted Uber and Lyft Temporary Operating Authority in the state of Virginia for the next six months. The insurance provisions in the operating guidelines require TNCs to provide \$1 million in primary coverage from "app match" to passenger drop off and 100/300 UM/UIM coverage and 50/100/25 contingent liability coverage for the period that the driver is logged in to the app but hasn't accepted a ride. This contingent coverage leaves the door open for coverage disputes between insurers and TNCs.

## Washington

**Bill Number:** HB 2782

**Status:** Failed

House Bill 2782 would have directed the Joint Transportation Committee to study TNCs provide a report to the Legislature examining issues such as insurance coverage requirements, safety regulations, and the unique barriers faced by taxicab companies.

**Regulatory Body:** Seattle City Council

**Status:** New Agreement

The Seattle City Council passed new rules regulating rideshare companies July 13. Previously, the council repealed an ordinance it passed in March. The new rules address the number taxi licenses insurance other licensing requirements.

## Wisconsin

**Legislative Activity:** PCI and industry partners have briefed state legislators interested in the issue and will work with key stakeholders with the goal of advancing legislation in the 2015 session.

**Regulatory Body:** Milwaukee

**Status:** Ordinances Approved

The Milwaukee Common Council approved an ordinance July 22 to completely lift the cap on the number of taxi cabs that are allowed to operate, allows TNCs to operate and be licensed, and establishes basic health and safety requirements such as inspections and minimum insurance coverage.